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Consolidated Financial Results for Nine Months Ended February 28, 2026 (Japanese GAAP)

April 6, 2026

Name of Listed Company: CREATE SD HOLDINGS CO., LTD. Listing: Tokyo Stock Exchange
 Securities code: 3148 URL: <https://www.createsdhd.co.jp/English/tabid/129/Default.aspx>
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Scheduled date of start of dividend payment: —

Supplementary materials for the financial results: None

Financial results briefing sessions: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Third Quarter Results for Fiscal Year Ending May 31, 2026 (June 1, 2025 to February 28, 2026)

(1) Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended February 28, 2026	366,218	7.9	17,110	4.1	18,036	6.4	12,205	9.1
Nine months ended February 28, 2025	339,469	8.4	16,431	5.4	16,944	5.5	11,185	4.4

(Note) Comprehensive income: Nine months ended February 28, 2026: ¥12,116 million (8.9%)

Nine months ended February 28, 2025: ¥11,130 million (3.9%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 28, 2026	188.93	—
Nine months ended February 28, 2025	173.16	—

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2026	241,428	149,088	61.8
As of May 31, 2025	236,561	142,720	60.3

(Reference) Net assets: As of February 28, 2026: ¥149,088 million

As of May 31, 2025: ¥142,720 million

2. Dividend Payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	—	34.00	—	44.00	78.00
Fiscal year ending May 31, 2026	—	45.00	—		
Fiscal year ending May 31, 2026 (forecast)				45.00	90.00

(Note) Revisions to most recently announced dividend forecast: None

3. Consolidated Financial Forecast (From June 1, 2025 to May 31, 2026)

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	491,500	7.5	24,100	6.5	24,900	6.3	16,300	3.9	252.31

(Note) Revisions to most recently announced financial results forecast: None

Notes

(1) Significant changes of subsidiaries in the nine months ended February 28, 2026: Yes

Newly consolidated: 3 companies (company names) SANEFU INC.

YAOHAN Holdings Co., Ltd.

YAOHAN Food Center Co., Ltd.

Deconsolidated: — companies (company name(s))

(2) Application of accounting treatments specific to preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes of accounting estimates and restatement

(i) Changes in accounting policies due to amendments to accounting standards: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Issued shares (common shares)

(i) Issued shares (including treasury shares) at period-end:

Nine months ended February 28, 2026	66,819,342 shares	Fiscal year ended May 31, 2025	66,819,342 shares
Nine months ended February 28, 2026	2,217,078 shares	Fiscal year ended May 31, 2025	2,217,058 shares
Nine months ended February 28, 2026	64,602,268 shares	Nine months ended February 28, 2025	64,593,443 shares

(ii) Treasury shares at period-end:

(iii) Average issued shares during period:

Review of the attached quarterly consolidated financial statements by a certified public accountant or audit firm: None

Cautionary statement regarding business results forecasts and special notes

(Notes concerning forward-looking statements, etc.)

The financial forecasts and other forward-looking statements contained herein are based on currently available information and certain assumptions considered by the Company to be reasonable. Actual financial results may differ materially due to various factors. Refer to “(3) Overview of Consolidated Financial Results Forecast and Future Expectations” on page 3 of the supplementary material for the underlying assumptions and proper use of the forecasts.

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1. Qualitative Information Related to Consolidated Financial Results

(1) Overview of Operating Results

During the first nine months of the fiscal year ending May 31, 2026 (June 1, 2025 to February 28, 2026), the Japanese economy showed signs of a moderate recovery supported by improvements in the employment and income environment. However, the outlook remains uncertain due to concerns over a slowdown in personal consumption resulting from continued inflation, as well as heightened geopolitical risks and the impact of U.S. trade policy.

In the drug store industry, the business environment surrounding the Company has become increasingly challenging due to the intensified competition from the opening of stores by competitors across different sectors and business models, heightened price competition, as well as the trend toward industry consolidation and scale expansion through M&A among major players.

Under these circumstances, the Group has formulated a new Medium-term Management Plan, Next STAGE 2030, with the fiscal year ending May 31, 2030 as its final year, and is promoting various measures to achieve its goals.

Drug Stores

During the first nine months of the fiscal year ending May 31, 2026, although there was a rebound from the outbreak of colds and influenza and other illnesses in the same period of the previous year, net sales at existing stores continued to exceed the previous year driven by the sustained promotion of the Everyday Low Price (EDLP) strategy in the merchandise sales division. In the prescriptions division as well, efforts focused on increasing the number of prescription drug stores, strengthening collaboration with nearby medical institutions and enhancing the calculation of various reimbursement additions, resulting in steady progress in the number of prescriptions handled and the average prescription unit price.

During the period, we opened 21 new drug stores. On the other hand, we closed six stores, consisting of three from scrap-and-build redevelopment and three due to expiration of contracts. In terms of prescription drug stores, we opened 21 new stores: 20 in-store prescription drug stores and one dedicated prescription drug store. On the other hand, we closed one in-store prescription drug store due to expiration of contract.

Furthermore, on August 29, 2025, we acquired all shares of SANEFU INC. (Fuchu City, Tokyo), which operates nine dedicated prescription drug stores, making it a consolidated subsidiary, thereby adding nine dedicated prescription drug stores. In addition, on October 29, 2025, we acquired all shares of YAOHAN Holdings Co., Ltd., which operates eight supermarkets in the cities of Kanuma and Nikko in Tochigi Prefecture, and made it a consolidated subsidiary, thereby adding eight supermarkets.

Nursing Care

As society ages, we are operating two paid assisted living facilities characterized by delicious meals for elderly people who want to live safely and securely under the care of nursing staff as well as 37 half-day rehabilitative adult care centers for those who want to continue living at home. For our paid assisted living facilities and adult day care services, we have put every effort into customer service, which is one of the distinctive characteristics of our Group, while working to expand various services in an effort to increase user satisfaction and improve occupancy rates.

As a result of the above, the number of Group stores as of February 28, 2026, was as follows: 802 drug stores, nine supermarkets, five combination drug store/fresh produce stores, and 48 dedicated prescription drug stores, for a total of 864 stores. In addition, the Group operates 436 in-store prescription drug stores. In the nursing care business, the Group operates two paid assisted living facilities and 37 half-day adult care centers.

As a result of the above, the financial results for the first nine months of the fiscal year ending May 31, 2026 were as follows: Net sales came in at 366,218 million yen (up 7.9% year on year), operating profit was 17,110 million yen (up 4.1%), ordinary profit was 18,036 million yen (up 6.4%), and profit attributable to owners of parent was 12,205 million yen (up 9.1%).

(2) Overview of Financial Position

Total assets as of February 28, 2026 were 241,428 million yen, up 4,866 million yen from the end of the previous fiscal year. The main factors were a 13,263 million yen increase in non-current assets, as well as a 6,669 million yen decrease in cash and deposits and a 721 million yen decrease in inventory.

Total liabilities as of February 28, 2026 were 92,340 million yen, down 1,500 million yen from the end of the previous fiscal year. The main factors were a 1,738 million yen increase in accrued bonuses under current liabilities, a 1,182 million yen increase in current portion of long-term borrowings, and decreases of 277 million yen in accounts payable – trade, 2,684 million yen in accrued income taxes, and 2,704 million yen in “Other.”

Total net assets as of February 28, 2026 were 149,088 million yen, up 6,367 million yen from the end of the previous fiscal year. The main factors were a 5,749 million yen decrease due to dividends paid and the recording of 12,205 million yen in profit attributable to owners of parent.

(3) Overview of Consolidated Financial Results Forecast and Future Expectations

At this time, no changes have been made to the forecast for the fiscal year ending May 31, 2026 announced on July 14, 2025.

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2024 (As of May 31, 2025)	3Q of FY2025 (As of February 28, 2026)
Assets		
Current assets		
Cash and deposits	37,746	31,076
Accounts receivable - trade	17,512	17,910
Merchandise	45,659	44,937
Other	11,122	9,720
Total current assets	112,041	103,644
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,973	50,965
Land	33,034	40,585
Other, net	6,336	6,283
Total property, plant and equipment	86,344	97,835
Intangible fixed assets		
Goodwill	294	917
Other	650	577
Total intangible assets	944	1,494
Investments and other assets		
Long-term loans receivable	10,324	9,814
Leasehold and guarantee deposits	12,303	12,728
Other	14,663	15,971
Allowance for doubtful accounts	(60)	(61)
Total investments and other assets	37,231	38,453
Total non-current assets	124,520	137,783
Total assets	236,561	241,428
Liabilities		
Current liabilities		
Accounts payable - trade	59,763	59,485
Accrued income taxes	5,148	2,463
Accrued bonuses	384	2,123
Provision for bonuses for directors (and other officers)	150	88
Provision for point card certificates	190	210
Asset retirement obligations	19	21
Current portion of long-term borrowings	—	1,182
Provision for loss on store closings	—	10
Provision for losses on cancellation	132	104
Other	18,879	16,174
Total current liabilities	84,668	81,864
Non-current liabilities		
Bonds payable	—	100
Long-term borrowings	—	384
Net defined benefit liability	3,263	3,671
Asset retirement obligations	4,153	4,256
Provision for loss on subleasing	17	12
Provision for losses on cancellation	238	71
Other	1,497	1,979
Total non-current liabilities	9,171	10,475
Total liabilities	93,840	92,340

(Millions of yen)

	FY2024 (As of May 31, 2025)	3Q of FY2025 (As of February 28, 2026)
Net assets		
Equity capital		
Share capital	1,000	1,000
Capital surplus	3,709	3,709
Retained earnings	140,131	146,586
Treasury shares	(2,705)	(2,705)
Total shareholders' equity	142,134	148,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50	51
Remeasurements of defined benefit plans	536	446
Total accumulated other comprehensive income	586	497
Total net assets	142,720	149,088
Liabilities and net assets	236,561	241,428

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

First nine months of the fiscal year ending May 31, 2026

(Millions of yen)

	3Q of FY2024 (From June 1, 2024 to February 28, 2025)	3Q of FY2025 (From June 1, 2025 to February 28, 2026)
Net sales	339,469	366,218
Cost of sales	251,375	272,795
Gross profit	88,094	93,423
Selling, general and administrative expenses		
Provision for point card certificates	180	210
Salaries and allowances	28,784	31,210
Provision for bonuses	2,128	2,123
Provision for directors' bonuses	109	86
Retirement benefit expenses	522	502
Depreciation and amortization	3,924	4,350
Amortization of goodwill	62	81
Land/office rent	13,653	14,283
Other	22,297	23,465
Total selling, general and administrative expenses	71,663	76,313
Operating profit	16,431	17,110
Non-operating profit		
Interest income	98	171
Dividend income	1	1
Rent income	296	696
Other	265	450
Total non-operating income	661	1,320
Non-operating expenses		
Interest expenses	—	9
Compensation expenses	—	1
Rental expenses	145	324
Other	4	58
Total non-operating expenses	149	393
Ordinary profit	16,944	18,036
Extraordinary profit		
Gain on sale of investment securities	1	—
Subsidy income	112	76
Other	0	0
Total extraordinary income	113	77
Extraordinary losses		
Loss on sale of non-current assets	2	—
Loss on retirement of non-current assets	15	0
Loss on tax purpose reduction entry of non-current assets	112	76
Provision for loss on store closings	—	10
Provision for losses on cancellation losses	407	—
Other	30	—
Total extraordinary losses	568	87
Profit before income taxes	16,489	18,026
Income taxes	5,304	5,821
Profit	11,185	12,205
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	11,185	12,205

Consolidated Statement of Comprehensive Income

First nine months of the fiscal year ending May 31, 2026

(Millions of yen)

	3Q of FY2024 (From June 1, 2024 to February 28, 2025)	3Q of FY2025 (From June 1, 2025 to February 28, 2026)
Profit	11,185	12,205
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	1
Remeasurements of defined benefit plans, net of tax	(54)	(89)
Total other comprehensive income	(54)	(88)
Comprehensive income	11,130	12,116
Comprehensive income attributable to:		
Owners of parent	11,130	12,116
Non-controlling interests	—	—

(3) Notes to Consolidated Financial Statements

Going concern assumption

Not applicable

Notes in case of significant changes in shareholders' equity

Not applicable

Application of specific accounting treatment in the preparation of consolidated financial statements

We make a reasonable estimate of the effective tax rate to be imposed on profit before income taxes in the fiscal year ending May 31, 2026, including the first nine months, after applying tax effect accounting and perform the calculation by multiplying profit before income taxes by the estimated effective tax rate.

Changes to accounting policies

Not applicable

Changes in accounting estimates

Not applicable

Additional Information

Change in presentation

Consolidated statement of income

In the first nine months of the fiscal year ended May 31, 2025, amortization of goodwill was included in "Depreciation and amortization." From the first nine months of the fiscal year ending May 31, 2026, amortization of goodwill has been presented separately in order to enhance clarity of presentation. Accordingly, the comparative information for the first nine months of the fiscal year ended May 31, 2025 has also been reclassified to reflect this change.

As a result, the amount of 3,987 million yen that was previously presented as "Depreciation and amortization" in the first nine months of the previous fiscal year has been reclassified into "Depreciation and amortization" of 3,924 million yen and "Amortization of goodwill" of 62 million yen.

Segment information

First nine months of the fiscal year ended May 31, 2025 (From June 1, 2024 to February 28, 2025)

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

First nine months of the fiscal year ending May 31, 2026 (From June 1, 2025 to February 28, 2026)

Since the Group has a high proportion of drug store business which is considered to be of little importance as disclosed information, segment information has been omitted.

Notes on consolidated statements of cash flows

The consolidated quarterly statement of cash flows for the first nine months of the fiscal year ending May 31, 2026 has not been prepared. However, depreciation for the first nine months of the fiscal year ending May 31, 2026 (including depreciation and amortization of intangible assets, excluding goodwill) and the amortization of goodwill are as follows.

	(Millions of yen)	
	3Q of FY2024 (From June 1, 2024 to February 28, 2025)	3Q of FY2025 (From June 1, 2025 to February 28, 2026)
Depreciation and amortization	4,057	4,663
Amortization of goodwill	62	81

3. Supplemental Information

(1) Production, Orders Received, and Sales

1) Sales results

(i) Sales results by product division

Sales results by product division during the first nine months of the fiscal year ending May 31, 2026 were as follows:

Product division	3Q of FY2025 (From June 1, 2025 to February 28, 2026)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	94,696	107.1
OTC	46,015	99.0
Prescription drug stores	48,681	116.2
Cosmetics	39,250	104.5
Food products	158,667	109.8
Daily products	51,799	104.2
Other	16,180	103.4
Subtotal	360,594	107.4
Supermarkets	3,721	199.0
Nursing Care		
Paid assisted living facilities	563	103.4
Adult day care services	1,182	105.1
Subtotal	1,746	104.5
Revenue from contracts with customers	366,062	107.9
Other revenue (Note)	156	102.6
Total	366,218	107.9

(Note) Other revenue includes rent income based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

(ii) Sales results by region

Sales results by region during the first nine months of the fiscal year ending May 31, 2026 were as follows:

	3Q of FY2024 (From June 1, 2024 to February 28, 2025)		3Q of FY2025 (From June 1, 2025 to February 28, 2026)	
	Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Kanagawa	206,431	60.8	221,561	60.5
Tokyo	46,904	13.8	50,282	13.7
Shizuoka	36,383	10.7	38,635	10.5
Chiba	31,395	9.2	34,453	9.4
Other	18,354	5.4	21,285	5.8
Total	339,469	100.0	366,218	100.0

(2) Purchase results

Purchase results by product division during the first nine months of the fiscal year ending May 31, 2026 were as follows:

Product division	3Q of FY2025 (From June 1, 2025 to February 28, 2026)	
	Amount (millions of yen)	YoY change (%)
Drug Stores		
Medical and health products	56,117	107.0
OTC	26,007	97.7
Prescription drug stores	30,109	116.6
Cosmetics	24,234	103.6
Food products	137,828	109.5
Daily products	36,873	104.5
Other	12,370	101.8
Subtotal	267,423	107.3
Supermarkets	2,819	195.6
Nursing Care		
Paid assisted living facilities	—	—
Adult day care services	—	—
Subtotal	—	—
Purchases for revenue from contracts with customers	270,242	107.8
Other revenue	—	—
Total	270,242	107.8